

HOUSE BILL 2337

By Powell

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 5, relative to delinquent tax proceedings.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-2701(a)(3)(C), is amended by deleting the subdivision and substituting instead the following:

(C) "Person entitled to redeem" means, with respect to a parcel, any interested person, as defined in this chapter, as of the date of the sale or the date the motion to redeem is filed;

SECTION 2. Tennessee Code Annotated, Section 67-5-2702(b), is amended by deleting the subsection and substituting instead the following:

(b) A copy of such motion shall be served, in the manner provided by the Tennessee Rules of Civil Procedure for motions not asserting new or additional claims for relief, on all interested persons as of the date of the filing of such motion, no later than thirty (30) days prior to the hearing date of the motion.

SECTION 3. Tennessee Code Annotated, Section 67-5-2702(e), is amended by deleting the subsection and substituting instead the following:

(e) In the event an interested person who failed to receive notice of the motion to claim excess proceeds, absent any fault on the interested person's part, claims that a person has received excess proceeds in error or in excess of the person's correct share to the detriment of the interested person, the interested person shall have a right of action against such person for the recovery of such excess proceeds as may have been paid in error. Such right of action shall be the exclusive remedy of such an interested person. In addition to any other available actions, the interested person may, by motion,

seek relief from the order disbursing the excess proceeds, in the court in which the tax proceeding was filed. Neither the court clerk nor an attorney participating in a proceeding to determine distribution of excess proceeds pursuant to subsection (g) shall be liable for the failure of an interested person to receive notice of the proceeding or for any excess proceeds paid in error.

SECTION 4. Tennessee Code Annotated, Section 67-5-2502(a)(2), is amended by deleting the subdivision and substituting instead the following:

(2) A notice of the tax sale shall be published at least once in a newspaper of general circulation in the county where the parcels are located, or, with the approval of the court, the notice may be published by printed handbills publicly posted in the county where the parcels are located or by posting on a website in such manner as the court may determine will provide adequate public awareness of the sale. Any such publication shall first occur at least twenty (20) days before the sale date.

SECTION 5. Tennessee Code Annotated, Section 67-5-2502, is amended by adding the following as a new subsection:

(f) Any sale under this section may be adjourned and rescheduled one (1) or more times without an additional newspaper publication or decree, upon compliance with the following provisions:

(1) The sale must be held within one (1) year of the originally scheduled date;

(2) Each postponement or adjournment must be to a specified date and time, and must be posted or announced at the date, time, and location of each scheduled sale date.

SECTION 6. Tennessee Code Annotated, Section 67-5-2409(b), is amended by deleting the subsection and substituting instead the following:

(b) The consolidation shall include into one (1) proceeding all actions to collect and enforce all delinquent taxes owing against the parcel, including delinquent taxes that become delinquent after the original action was filed. Once consolidated, all delinquent

taxes, including both those delinquent prior to the filing of the original complaint and those added later by consolidation, shall be included in the minimum bid to purchase the property at a tax sale. Consolidation of the actions to include more recent delinquent taxes owed shall not require the issuance, service, or delivery of additional leading process, summons, or notice to interested persons who were served or notified pursuant to the original complaint in accordance with § 67-5-2415. After the notice of the consolidation is filed, the payment of the amount due for any of the years at issue in the consolidated proceeding shall not result in the dismissal of the consolidated proceeding until payment is made of all amounts due for all of the years that are the subject of the consolidated proceeding.

SECTION 7. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end the provisions of this act shall be severable.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.